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Transparency register  
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## **Neova Group – Response to the EU Climate Law Amendment Consultation**

Neova Group is Europe's leading peat producer, transforming peat into high-value products such as growing media, biostimulants, activated carbon, and animal feed additives. Neova conducts responsible peat production in areas previously drained for agriculture or forestry and characterised by low biodiversity. Following extraction, these areas are usually rewetted or afforested, enabling them to become carbon sinks within 10–20 years. Neova is also investing in the development of renewable energy solutions, solar and wind power. Our subsidiary, Kekkilä-BVB, is Europe's leading producer of professional and consumer growing media.

We welcome the European Commission's proposed target to reduce net greenhouse gas emissions by 90% by 2040 and support the EU's overarching goal of climate neutrality by 2050. Neova's portfolio contributes to these goals by enabling climate-resilient and resource-efficient food and plant production, supporting afforestation, soil health, and urban greening, purifying air and water, and accelerating the uptake of renewable energy. We emphasise that the EU's climate objectives must be pursued in a science-based, economically viable, and socially just manner, ensuring the resilience of European industry, agriculture, and rural communities.

### **Sustainable Peatland Management in the Green Transition**

As Europe's leading peat producer, Neova manages significant peatland and wetland areas. Former extraction sites offer excellent potential for renewable energy investments, particularly solar and wind power. To facilitate faster progress toward emissions reduction targets, the EU and Member States should streamline and accelerate the planning and permitting processes for renewable energy projects.

Neova is also actively exploring the potential of paludiculture, wetland cultivation practices on peatlands, which can contribute to carbon sequestration while supplying sustainable biomass to the growing media market.

The potential role of international carbon credits in the EU's climate framework should not hinder the development of robust domestic voluntary carbon markets. The future EU and national frameworks for carbon removals should recognise both permanent and temporary removals, especially those achieved through carbon farming.

These practices are already widely available to European farmers and landowners and offer dual benefits for carbon sequestration and biodiversity enhancement. To unlock their full potential, we call for clear incentives and a well-functioning market for carbon and nature credits, which are essential for driving emissions reductions in the land use sector.

## **Emissions from Peatlands and the Land Use Sector**

Adopting the 90% net emissions reduction target will significantly influence future EU climate policies and sector-specific reduction commitments. For the land use sector, this underscores the need for harmonised and transparent monitoring and reporting of emissions across Member States. Inconsistencies in LULUCF (Land Use, Land Use Change, and Forestry) emissions accounting risk undermining the credibility and effectiveness of EU climate policy.

Specifically, the methodologies used to assess emissions from peatlands, especially the life-cycle emissions of horticultural peat, must be revised. Current models often overestimate emissions, leading to inaccurate reporting in many Member States. Updated, science-based models are essential to ensure accurate, fair, and effective policy implementation.